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ELEVENTH ANNUAL REPORT

OF THE

ALBERTA LIQUOR CONTROL BOARD

OF THE

PROVINCE OF ALBERTA

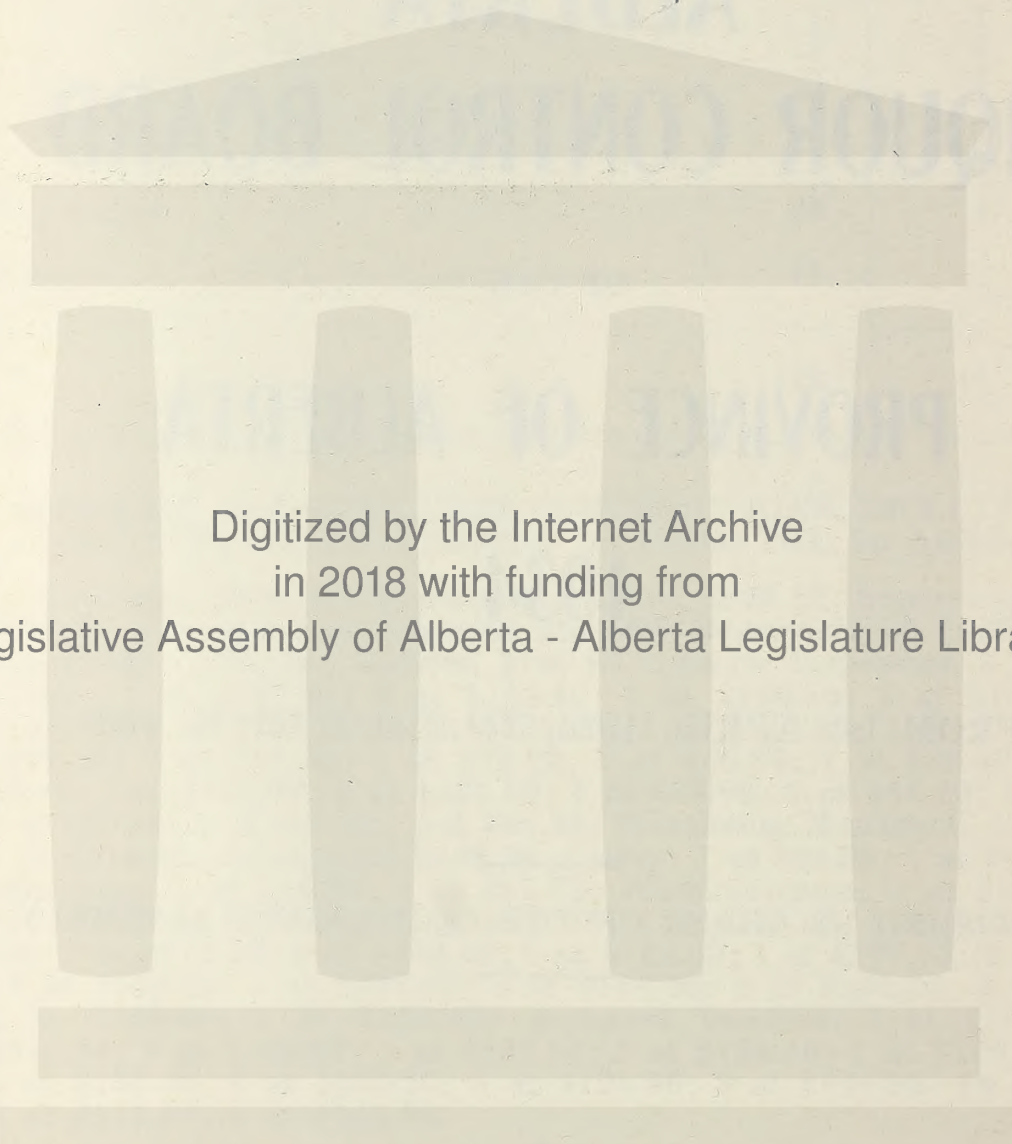
1934

(FROM 1st APRIL, 1934, TO 31st MARCH, 1935)

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY



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ALBERTA LIQUOR CONTROL BOARD

Edmonton, Alberta, July 31st, 1935.

HONOURABLE J. F. LYMBURN, K.C.,

Attorney General,

Parliament Buildings,

Edmonton, Alberta.

Sir :

I have the honour to transmit herewith Report of the Alberta Liquor Control Board covering the period 1st April, 1934, to 31st March, 1935.

I have the honour to be, Sir,

Your obedient servant,

R. J. DINNING,

Chairman.

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REPORT

OF THE

ALBERTA LIQUOR CONTROL BOARD

INTRODUCTION

The fiscal year of the Board, which ended on the 31st March, 1935, is covered by this, its eleventh, Annual Report.

The Financial Statements and Appendices are incorporated therein.

Comment on the administrative operations of the Board follows.

LICENSES

A statement showing Brewery, Beer, Club and Canteen licenses issued for the calendar year ending on 31st December, 1934, will be found in Appendix "A".

The number of licenses issued was as follows :

Brewery	5	Beer (Hotel)	377
Club	51	Canteen	17

HOTELS

Further progress has been made during the year in the Board's efforts to maintain, and where possible, to improve the standard of hotel accommodation throughout the Province, more particularly in the rural centres.

In this work the whole-hearted co-operation of the Officers of the Alberta Hotel Association has been of very material assistance.

It was found to be necessary to issue suspensions with respect to three Beer (Hotel) licenses and one Club license. The reasons for these suspensions are shown in Appendix "A".

LIQUORS

Abnormal exchange rates have continued to restrict the sales of wines and spirits imported from the Continent of Europe, and in consequence wines and brandies manufactured in the British Empire have made further headway in this Province.

The products, which are of high quality, enjoy the tariff advantages extended by the Ottawa agreements, and can thus be sold at reasonable prices.

On March 23rd, 1935, the Dominion Government announced a reduction in Customs duties on spirits imported under the British Preferential Tariff, and also in the Excise duties on Domestic spirits. In revising its price list to give effect to these lower duties the Board will also make further substantial reductions in the selling prices of various liquors.

LAW ENFORCEMENT

The enforcement of the liquor laws has continued under the supervision of the Royal Canadian Mounted Police and of the City and Municipal Police forces throughout the Province. From the Officers of these forces the Board has received the fullest co-operation and assistance, and for which it now takes pleasure in expressing appreciation.

GENERAL REMARKS

The sale of permits during the calendar year ending on 31st December, 1934, resulted in a net realization of \$55,099.50.

On the 1st of May, 1934, the cost of Individual and of certain types of Special permits was reduced, and the old issue withdrawn from circulation.

During the year, 59 permits were cancelled on the recommendation of Magistrates and Police Officers.

Interdiction Orders received by the Board during the fiscal year numbered 395, and during the same period 346 Orders were revoked.

The number of Interdictions in force as at the 31st of March, 1935, was 985.

The various Government Liquor Stores filled 963 Prescription Orders from medical practitioners during the year.

Alberta Brewers sold approximately 2,871,000 Imperial Gallons of malt liquor within the Province and exported 4,000 Gallons.

The following statement shows a comparison of sales of all liquors in Imperial Gallons.

	Sales in Gallons :	Percentage of Total Sales
Beer, Ale and Stout	2,935,000	92.55
Wines	127,000	4.01
Spirits	108,000	3.40
Alcohol (Including sales to Hospitals, Druggists, Manufacturers, etc.)	1,200	.04
	<hr/> 3,171,200 <hr/>	<hr/> 100.00% <hr/>

GENERAL REMARKS (Continued)

The Federal Government received from the Board and the Alberta Brewers approximately \$1,529,000 by way of Customs and Excise Duty on liquors, Sales Tax and the various Taxes on malt liquors.

The Board obtained from shippers on purchases of liquor trade discounts and allowances amounting to \$9,960.55. This item appears in the Financial Statements.

The number of individual sales to permittees totalled 895,591 at an average of \$3.35 for each transaction.

Shipments by express from Government Liquor Stores to permit holders comprised 16,296 packages, at a cost of \$6,772.95 for transportation, while 826 packages were forwarded through the mails at a cost to the Board for postage of \$656.55.

STAFF

In concluding this Report the Board wishes to place on record its grateful appreciation to its staff for their efficient co-operation throughout the year.

All of which is respectfully submitted.

R. J. DINNING,

Chairman.

BALANCE SHEET AS AT MARCH 31, 1935

ASSETS

CASH ON HAND		\$ 4,239.15
INVENTORIES :		
Stocks of liquors in bond at cost	\$ 157,744.96	
Stocks of liquors in warehouses and stores at warehouse cost	241,236.05	
	<hr/>	
	\$ 398,981.01	
Liquor in transit prepaid	15,576.50	
Containers on hand	1,340.14	
	<hr/>	415,897.65
ACCOUNTS RECEIVABLE		14,688.80
AUTOMOBILES, FURNITURE AND FIXTURES :		
Less reserve for depreciation		10,384.18
PREPAID CHARGES		10,989.22
PROVINCIAL TREASURER :		
Income for year ended March 31, 1935	\$1,480,364.74	
Permit fees for year ended March 31, 1935	57,434.00	
	<hr/>	\$1,537,798.74
Less : Remitted to Provincial Treasurer	\$1,522,094.82	
Refunds to permittees	19,223.50	
	<hr/>	1,541,318.32
Excess remittances of income during year		3,519.58
		<hr/>
		\$459,718.58

LIABILITIES

BANK OVERDRAFT		\$226,491.52
ACCOUNTS PAYABLE		125,185.44
UNEARNED LICENSE REVENUE		48,041.62
RESERVES :		
Burglary	\$ 10,000.00	
General	50,000.00	
	<hr/>	60,000.00
		<hr/>
		\$459,718.58

R. J. DINNING, Chairman.

B. GUTHRIE, Accountant.

Edmonton, Alberta. June 20, 1935.

I have audited the books and records of the Alberta Liquor Control Board for the year ended March 31, 1935, and the above Balance Sheet and accompanying Profit and Loss Account are in accordance therewith.

Stocks of liquors in warehouses and stores were valued at landed cost plus duty as at March 31, 1935. On March 23, 1935, the Dominion Government, in bringing in the budget, announced certain reductions in customs and excise duties and these were finally assented to on June 13, 1935, but were effective from the date on which they were announced. Owing to the possibility of changes being made before the new rates were finally approved, the Board was unable to make up new cost schedules as at March 31, 1935. In consequence, values of duty paid stocks are shown in the balance sheet at approximately \$30,000.00 above replacement cost, but as selling prices to the public were not reduced until April 16, 1935, the larger bulk of the goods upon which duty at the higher rates was paid was sold before the price reductions went into effect.

After due consideration of all the circumstances, I am of the opinion that no useful purpose would have been served by requesting the Board to use replacement values in pricing inventories at March 31, 1935.

Inventories included goods on consignment amounting to \$108,904.91, the corresponding liability being included with accounts payable on the Balance Sheet.

I have received all the information and explanations which I require, and certify that, in my opinion, the above Balance Sheet is properly drawn up so as to show the financial position of the Alberta Liquor Control Board as at March 31, 1935, and the accompanying Profit and Loss Account correctly sets forth the result of operations for the year ended at that date.

JAMES C. THOMPSON, C.A.,
Provincial Auditor.

STATEMENT B

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED MARCH 31, 1935

Gross Sales		\$3,224,144.71
Less : Cost of goods sold		1,948,678.26
		<hr/>
Gross profit		\$1,275,466.45
Less : Stores operating expenses		388,211.76
		<hr/>
Profit from Stores		\$ 887,254.69
Add : Special Income :		
License fees	\$170,861.10	
Less : License expense	25,789.96	
	<hr/>	
	\$145,071.14	
Gallonage Tax	445,066.34	
Sundry Revenue	6,677.24	
	<hr/>	
		596,814.72
		<hr/>
		\$1,484,069.41
Less : Interest charges		2,788.88
		<hr/>
Net operating profit		\$1,481,280.53
Less : Non-operating expenses :		
Permits	\$ 663.56	
Local option plebiscites	252.23	
	<hr/>	
		915.79
		<hr/>
Net income for the year ended March 31, 1935		<u>\$1,480,364.74</u>

COST OF GOODS SOLD

FOR THE YEAR ENDED MARCH 31, 1935

Inventory, March 31, 1934		\$ 310,475.49
Add :		
Purchases, Liquor	\$ 584,317.35	
Purchases, Beer	520,425.46	
Purchases, Confiscated Liquor	67.35	
Purchases, Distilled water	48.94	
Purchases, Jugs and bottles	37,203.62	
	<hr/>	
	\$1,142,062.72	
Duty	688,289.63	
Sales tax	112,826.82	
Inward Freight	104,138.19	
Marine insurance	1,827.46	
	<hr/>	
		2,049,144.82
Less :		<hr/>
Cash and trade discounts	\$ 9,960.55	\$2,359,620.31
Breakages, etc.	75.48	
Claims	1,925.01	
	<hr/>	
		11,961.04
		<hr/>
		\$2,347,659.27
Less : Inventory, March 31, 1935		398,981.01
		<hr/>
Cost of goods sold for the year ended March 31, 1935		<u>\$1,948,678.26</u>

APPENDIX "A"

STATEMENT SHOWING BREWERS', BEER, CLUB AND
CANTEEN LICENSES ISSUED, WITH RECORD OF
CANCELLATIONS AND SUSPENSIONS

BREWERS' LICENSES ISSUED 1934

License Number	Name of Brewery	Place
1	Edmonton Breweries Limited	Edmonton
2	Lethbridge Breweries Limited	Lethbridge
3	Calgary Brewing & Malting Company Limited	Calgary
4	North West Brewing Company Limited	Edmonton
5	Big Horn Brewing Company Limited	Calgary

SUSPENSIONS OF BREWERY PRIVILEGES 1934

Nil.

BEER LICENSES ISSUED 1934

Total Number of Licenses Issued		392
Surrendered, not replaced	1	
Suspended at December 31st, 1934	1	
	—	
Total Number of Licenses Inoperative	2	
Businesses Sold, New Licenses Issued	15	17
	—	—
Number of Licenses in Force at December 31st, 1934		375

CANCELLATIONS AND SUSPENSIONS OF BEER LICENSES, 1934

Altario Hotel, Altario : J. E. Shields (A. McPhail, Manager), Licensee; License No. 372 suspended from June 25th to December 31st, inclusive, 1934; Failure to comply with the provisions of the Act.

Frank Hotel, Frank : Michael Bobrosky, Licensee; License No. 350 suspended from October 3rd to October 12th, inclusive, 1934; Infraction Section 90.

Stavely Hotel, Stavely : James O'Keefe, Licensee; License No. 339 suspended from November 30th to December 13th, inclusive, 1934; Infraction Section 37 (a).

CANCELLATIONS AND SUSPENSIONS OF CLUB LICENSES 1934

Lethbridge Miners' Library, Lethbridge : Suspended from February 17th to March 26th, inclusive, 1934; Infraction Section 96 (c).

CANCELLATIONS AND SUSPENSIONS OF CANTEEN LICENSES, 1934

Nil.

STAFF AS AT 31st MARCH, 1935

	Male	Female	Temp. (Male)	Total
ADMINISTRATIVE OFFICES :				
Chairman	1			1
Chairman's Office (Secretary)		1		1
Secretary's Office	1	1		2
Accountant's Office	13	3		16
Licensing Branch	6	1		7
Licensing Branch, Temp. Staff			2	2
Supervisor of Stock Office	5	2		7
Supervisor of Stock, Temp. Staff			1	1
Supervisor of Traffic Office	2	3		5
Warehouses :	21	3		24
Warehouses : Temporary Help			6	6
Stores :	72			72
Stores : Temporary Help			9	9
	121	14	18	153

